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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

Arizona Corporation Commission

DOCKETED

AUG 2 2011

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
TUSAYAN WATER DEVELOPMENT
ASSOCIATION, INC. FOR ESTABLISHMENT
OF RATES FOR WATER SERVICE.

DOCKET NO. W-02350A-10-0163

IN THE MATTER OF THE APPLICATION OF
ANASAZI WATER CO., LLC FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION."

DOCKET NO. W-20765A-10-0432

IN THE MATTER OF THE APPLICATION OF
HYDRO-RESOURCES, INC. FOR
ADJUDICATION "NOT A PUBLIC SERVICE
CORPORATION."

DOCKET NO. W-20770A-10-0473

PROCEDURAL ORDER

BY THE COMMISSION:

On April 29, 2010, Tusayan Water Development Association, Inc. ("Tusayan") filed with the Arizona Corporation Commission ("Commission"), in Docket No. W-02350A-10-0163 ("Tusayan Docket"), a rate application using a test year ending December 31, 2009.

Since that time, through a series of events more fully described in the Procedural Order issued in this matter on April 20, 2011, processing of Tusayan's rate application has been suspended; Tusayan has been deemed to have filed an adjudication application; Tusayan's adjudication application has been consolidated with adjudication applications filed by Hydro-Resources, Inc. ("Hydro") and Anasazi Water Company, LLC ("Anasazi"); intervention has been granted to Tusayan Ventures LLC ("T Ventures") and to the Town of Tusayan ("Town"); the Commission's Utilities Division ("Staff") has found all three adjudication applications to be sufficient; and a procedural schedule has been established that includes a hearing to commence on September 9, 2011,¹ and continue on September 21, 2011, along with other procedural requirements and deadlines.

¹ A Staff request to have the hearing commence on September 21, 2011, filed on April 20, 2011, was deemed denied after 20 days.

1 On June 8, 2011, Hydro filed Certification of Mailing and Publication of Notice, showing that
2 notice had been published in the *Williams-Grand Canyon News* on four consecutive weeks from
3 April 13, 2011, through May 4, 2011, and stating that Hydro had mailed a copy of the notice to all
4 affected property owners on May 18, 2011.

5 On June 20, 2011, Hydro filed the Direct Testimony of John W. Rueter, and Anasazi filed the
6 Direct Testimony of Pamela Fain. On the same date, Tusayan provided a courtesy copy of the Direct
7 Testimony of Christopher Brainard, which was subsequently docketed on June 22, 2011, along with a
8 Motion for Extension of Time to File Direct Testimony explaining that Tusayan's original filing with
9 Docket Control had been rejected, unbeknownst to Tusayan until two days later, because Tusayan
10 had not provided sufficient copies with the filing.²

11 On July 19, 2011, Staff filed Staff's Request for Extension of Time ("Staff's Request"),
12 requesting that Staff's deadline to file its Direct Testimony be extended from July 20, 2011, to July
13 27, 2011, and explaining that Staff had contacted all of the parties regarding the request and that none
14 of the parties had any objection. Staff further requested that all Intervenors likewise be granted a
15 one-week extension to file Direct Testimony.

16 On July 20, 2011, T Ventures filed a Notice stating that it will not be filing any Direct
17 Testimony or offering any witnesses in this consolidated matter, but will participate only through
18 cross-examination of other parties' witnesses. T Ventures further stated that it supports Staff's
19 Request.

20 On July 21, 2011, a Procedural Order was issued extending to July 27, 2011, the deadline for
21 Staff and Intervenors to file direct testimony and associated exhibits to be presented at hearing and
22 declaring that the remaining provisions of the Procedural Order of April 20, 2011, remain unchanged.

23 On July 27, 2011, the Town filed the Direct Testimony of Ray L. Jones, and Staff filed the
24 Direct Testimony of Kiana M. Sears and Marlin Scott, Jr.

25 On August 1, 2011, Squire Motor Inns, Incorporated ("Squire") filed an Application to
26 Intervene and Conditional Motion for Extension of Time ("Motion"). In its Motion, Squire explains

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28 ² In light of the reason for and nature of the delay in timely filing Direct Testimony, no Motion for Extension was necessary.

1 that it will be directly and substantially affected by these proceedings and should be granted
2 intervention because these proceedings will significantly impact the future of water service in the
3 Town, Squire is an essential source of water in the Town, and Squire has an agreement to sell water
4 to Hydro. Squire asserts that its well, mains, and storage tank are essential to Hydro's ability to
5 provide service and that it is a critical party in this matter. Squire further asserts that if it is granted
6 intervention, the Commission should continue the hearing in this case to allow Squire adequate time
7 to prepare, although Squire suggests that the September 9, 2011, hearing date be retained to allow the
8 parties to engage in a settlement conference.

9 Although the deadlines for Motions to Intervene and for Intervenors' direct testimony and
10 exhibits have passed, it appears that Squire's participation in this matter may be beneficial to the
11 Commission. Thus, it is now necessary and appropriate to obtain each party's position on Squire's
12 Motion, including both its request for intervention and its request for a continuance.

13 IT IS THEREFORE ORDERED that **each party shall, by August 12, 2011, file a response**
14 to Squire's Motion, including the party's position both as to Squire's request for intervention and
15 Squire's request for a continuance.

16 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
17 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
18 hearing.

19 DATED this 2nd day of August, 2011.

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23 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

24 Copies of the foregoing mailed/delivered
25 this 2nd day of August, 2011, to:

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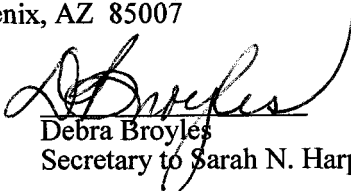
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25 Debra Broyles
26 Secretary to Sarah N. Harpring
27
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